

# **Distribution of Gaming Tax Revenues House File 2791**

Last Action:  
Senate Appropriations  
May 1, 2006

## **Executive Summary Only**

**An Act concerning community foundations and economic development relating to the endow Iowa tax credit, the allocation of gambling tax revenues, the distribution of county endowment moneys, making an appropriation, and providing an effective date.**

**Fiscal Services Division  
Legislative Services Agency**

### **NOTES ON BILLS AND AMENDMENTS (NOBA)**

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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**EXECUTIVE SUMMARY  
NOTES ON BILLS AND AMENDMENTS**

**HOUSE FILE 2791  
DISTRIBUTION OF GAMING TAX REVENUES**

**ENDOW IOWA TAX CREDIT**

- Increases the cap on the funds to be provided for the Endow Iowa Tax Credit by the amount provided under Other Appropriations below. This is estimated to be \$1.0 million in FY 2008.

**IOWA COUNCIL OF FOUNDATIONS**

- Appropriates \$70,000 of the funds to be provided to the lead philanthropic organization to the Department of Economic Development for administrative costs related to the Endow Iowa Program.

**COUNTY ENDOWMENT FUND**

- Increases the percentage of adjusted gross receipts (AGR) from racetracks and excursion boat casinos that goes to the County Endowment Fund from 0.5% to 0.8%. The increase is estimated to be \$3.8 million.

**OTHER APPROPRIATIONS**

- Appropriates an additional 0.2% of the AGR as follows:
  - \$520,000 from the gaming tax received by the State annually to the Department of Cultural Affairs with one-half to be used for operational support grants and one half for the Community Cultural Grants Program.
  - One half of the remaining funds to the Community Development Division of the Department of Economic Development for regional tourism marketing. Prohibits any of the funds from being used for administrative costs. This is estimated to be \$1.0 million in FY 2008.
  - One half of the remaining funds shall be deposited into General Fund for funding the Endow Iowa Tax Credit. This is estimated to be \$1.0 million in FY 2008.

**ENDOW IOWA TAX CREDIT SUNSET**

- Repeals the sunset provision for the Endow Iowa Tax Credit that would have been effective June 30, 2010.

**AUDIT PROCEDURES**

- Requires that the governing body of a charitable organization receiving a grant to approve all expenditures of grant moneys and allow a State audit of expenditures of all grant moneys.

**FISCAL IMPACT**

- Reduces funds available for distribution though the Rebuild Iowa Infrastructure Fund by 0.5% of the AGR beginning if FY 2008. The estimated reduction is \$6.3 million for FY 2008.

**EFFECTIVE DATE**

- The Bill takes effect July 1, 2007.